

Comment on MAG Memorandum

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Improvement in the interface between the developer and user

The MAG is correct, of course, in saying that communication between the developer and user is a key element in an effective R&D program. The need for physical proximity, however, is difficult to demonstrate. Communications in R&D is not unique, and there are many instances in which our communications halfway around the world have been much better than our communications across the hallway. Our organizational practices probably cause as much difficulty as physical separation.

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Some suggestions are made pertaining to more frequent meetings of the R&D Coordination Board. As you well know, there is really little incentive in the current environment for the Board to meet. Carl wisely suspended these meetings until such time as program planning procedures were firmed up in order to preclude a lot of unnecessary work.

The suggestion that the R&D Coordination Board develop 5-year technological forecasts ignores the fact that such forecasts would be very difficult to produce

DRAFT

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MEMORANDUM FOR: Executive Director-Comptroller
SUBJECT : Comment on MAG Memorandum on R&D
REFERENCE : MAG memorandum of 27 January 1972
to Executive Director-Comptroller

1. I have read the referenced Management Advisory Group memorandum with considerable interest. As you know, Carl, [] and I, as well as other Directorate officers concerned with R&D, discussed the R&D program at some length with several of the MAG members. The memo clearly shows that they have identified many of the more important problems which are so persistent and nettlesome. I believe, however, that the attached comments may be helpful in providing some additional perspective or balance for some of the MAG suggestions.

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Attachment:
Comment on MAG memo.

with our limited resources, and that much information is available from Department of Defense studies, industrial organizations, and think tanks. We have generally tried to treat particularly sensitive areas in the Future Threats Branch of OSI.

This Directorate has long taken the initiative in promoting symposia, technical courses, and other activities not only to stimulate the interchange of technical data within the Agency, but also, as a side benefit, to get the technical people in the Agency on a first name basis irrespective of their organizational home. The Project Officers Course, for example, has been quite successful in this respect, and administrative responsibility of this has now been assumed by OTR. We are currently arranging for a course to be given internally on systems analysis and operations research. As an Agency, however, we need to do much much more in this area.

The need for long-range planning

R&D goals and R&D objectives must be derived from Agency goals: these do not exist in a form suitable to provide guidance for the R&D program. Commendable initiatives have been taken by the R&D coordinators in the past to improve this area. A satisfactory solution, however, is dependent upon top management interest and action. Experience in industry and government has shown that this responsibility cannot be delegated, although

detailed studies can be assigned to assist top management in this important task.

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Possible change in project approval procedures

The suggestion that the Contract Review Board should consider contracts prior to the approval of the Executive Director is inconsistent with the purpose for which the CRB was established. Its primary function is to advise the Director of Logistics, and to recommend actions or changes which would improve the contracting process. I believe the CRB regards Executive Director approval of a project as indicating its operational desirability. Details pertaining to the contracting particulars can always be suitably arranged after that. To reverse the sequence would increase the workload of the CRB, and could delay the processing of proposed contracts.

Clarification of sole source problems

MAG suggestions in this area indicate a belief that the Project Officer's judgment and technical competence should be the determining factor with respect to sole source. But the Contracting Officer has the legal responsibility for establishing that sole source procurement is justified (this point is strongly stressed in the Project Officers Course). Abuse of sole source procurement can ultimately invite

surveys of our procurement practices by such organizations as the GAO and limit the flexibility which we now enjoy--and need.

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The sideways brain drain

In a preceding item, as well as this one, the MAG really addresses the need for greatly improvement management of our most critical technical resource--our scientists and engineers. We do need a Career Service, and we do need to manage our total engineering program such that all of our technical people have an equal opportunity to participate in challenging work irrespective of their organizational assignment. Unfortunately, this varies greatly from technical element to technical element. Because of manpower limitations, the engineers in our newer organizations carry a high dollar value workload, while in the older organizations the diminishing contract dollars are divided up into bits and pieces to give everyone at least a little bit of the action. This situation is dysfunctional with respect to the Agency, and unfair to our scientists and engineers. The suggested assignment of large projects to the older elements is artificial and tends to perpetuate the existing organizational bondage rather than promoting the free movement and use of technical talent wherever the Agency's needs are greatest.

Duplication of effort

The Contract Information System can provide adequate information to preclude duplication. We should try to improve the quality of the information put into the system and its availability to the engineers.

Yardsticks that can be applied to measure R&D effectiveness

The assertion that, "A valid measure of effectiveness may be determined through a systems analysis approach to R&D." is incorrect. Some of the best economists and systems analysts in the country are working on just this problem. The difficulty lies in the fact that one organization pays for research and development, but the benefits are available to all. It seems that the MAG appreciates this since it is explicitly recognized with respect to ORD.

When summed up, the Management Advisory Group's suggestions really point to one fact about the Agency's R&D program which they have graciously left unsaid-- nobody's in charge here.